



INFORMATION SHEET

Serving the People of California

EXEMPT EMPLOYMENT

The California Unemployment Insurance Code excludes from coverage certain employees and certain types of work. Some exempt services are discussed in separate Information Sheets in more detail (these will be noted by the listing of a DE 231 form). The following is a list and brief explanation of exemptions:

- Agricultural labor is subject for UI, ETT, and DI, but is not subject to PIT withholding unless employer and employee voluntarily agree.
- Baseball players working for expenses and a share of profits are exempt from UI, ETT, and DI, but are subject to PIT.
- Domestic service in a private home, a local college club, or local chapter of a college fraternity or sorority is not subject to DI if the employer pays less than \$750 in cash wages in any calendar quarter. It is not subject to UI and ETT if the employer pays less than \$1,000 in cash wages in any calendar quarter. Wages paid for domestic service is not subject to PIT withholding unless both employer and employee voluntarily agree. Refer to DE 231L for more detailed information.
- Elected officials, members of a legislative body, or members of the judiciary of state government and political subdivisions are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Election campaign workers are exempt from UI, ETT, and DI, but not from PIT withholding. Refer to DE231V for more detailed information.
- Employees of a church or convention or association of churches or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches are exempt from UI, ETT, and DI, but subject to PIT withholding.
- Employees of other states are exempt from UI, ETT, and DI, but are subject to PIT withholding if the services are performed in this state or the employee is a California resident.
- Employees if instrumentalities owned by foreign governments are exempt when there is a formal agreement.
- Family employees - services by children under 19 employed by parent or partnership of parents only; spouse employed by spouse; parent employed by son or daughter are exempt from UI, ET, and DI. They may apply for DI elective coverage. They are subject to PIT withholding.
- Federal employees are exempt from UI, ETT, and DI. The federal government withholds PIT by agreement with the state from federal employees working in California and military personnel who are California residents stationed in California.
- Foreign government employees are exempt from UI, ETT, DI, and PIT.
- Foreign professional athletes who are neither citizens nor residents of the USA performing for occasional or incidental professional engagements are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Golf caddies are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Interns who have completed a four year course in medical school are exempt from UI and ETT when completing their internship at a hospital. Interns are exempt from DI unless employed by a private nonprofit hospital. They are subject to PIT withholding.
- Jockeys and exercise persons licensed by the California Horse Racing Board are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Ministers who are duly ordained, commissioned, or licensed in the exercise of their ministry or members of a religious order in the exercise of duties required by such order are exempt from UI, ETT, DI, and PIT withholding.
- Newspaper carriers under 18 delivering to consumers are exempt from UI, ETT, DI, and PIT withholding.

- Newspaper and magazine vendors buying at fixed prices and retaining excess from sales to customers are exempt from UI, ETT, DI, and PIT withholding.
- Officers of corporations not subject to the Federal Unemployment Tax Act are exempt from UI, ETT, and DI. For PIT withholding purposes, services of officers are subject unless the services constitute agricultural labor.
- Patients employed by the hospital in which they are patients are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Professional services performed by a consultant working as an independent contractor are exempt from UI, ETT, and DI. These services are limited to attorneys, physicians, dentists, engineers, architects, accountants, and scientists who have a degree from a four-year institution of higher learning relating to the specialized knowledge and skills of the professional service being provided.
- Salespersons: Real estate, mineral, oil and gas, cemetery brokers, and in-home sales and demonstrations are exempt under certain conditions. Refer to DE 231N for detailed information.
- Service performed outside the U.S. on a foreign vessel or aircraft are exempt.
- Students under age 22 in a qualified work experience program are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Students working for the school in which they are enrolled are exempt from UI, ETT, and DI. A student's spouse is also exempt if such spouse is advised at the time such service commences that such service is provided under a program to provide financial assistance to the student and such employment will not be covered by any program of unemployment insurance or disability compensation. Students and their spouses working for the school are subject to PIT withholding.
- Student nurses working for hospitals or training schools if they are enrolled and regularly attending classes are exempt from UI and ETT. They are exempt from DI unless employed by a private nonprofit hospital. They are subject to PIT withholding.
- Students working for organized camps are exempt if they are enrolled in school full time or are in between semesters and it is reasonable to assume they will be returning to school full time during the following semester.
- Temporary or part-time teachers at private post secondary institutions are exempt from DI and PIT withholding if they have a contract with the school which states they will be responsible for their own income taxes, there is no disability insurance provided, and the instruction is a secondary occupation.
- Temporary workers for state government and their political subdivisions when performing services in the case of fire, storm, snow, earthquake, flood, or other similar emergency are exempt from UI, ETT, and DI, but are subject to PIT withholding.
- Transcribers of depositions, court proceedings, and hearings performed away from the office of the person, firm, or association obligated to produce a transcript of these proceedings are exempt from UI, ETT, and DI.
- Workers performing services which are not in the course of the employer's trade or business. Cash wages are subject if worker is paid more than \$50 in a calendar quarter and performs services on some part of 24 or more different days in that quarter or on 24 or more days in the preceding quarter. Refer to DE 231K for more detailed information.

NOTE: The above is a partial listing of the more common exemptions. Employers should contact their nearest Employment Tax Customer Service Office for more detailed information before applying the above exemptions.

Equal Opportunity Employer/Program. Auxiliary services and assistance available to persons with disabilities. TDD Users, contact the California Relay Service: 1-800-735-2929.